

MICHIGAN POTASH OPERATING, LLC

January 11th, 2016

Mr. Joe Pettit
Office of Oil, Gas and Minerals
Michigan Department of Environmental Quality
PO Box 30256
Lansing, MI 48909-7756

RE: Class I Non Hazardous Salt Water Disposal Wells
VIA: Overnight Mail and Electronic Mail

Dear Mr. Pettit:

As per our phone conversation dated Monday January 11th, the Environmental Protection Agency, Region V, Underground Injection Control permitting group has indicated that they will accept the Michigan Department of Environmental Quality Conformance Bond for *Class I Non-Hazardous Brine Disposal wells*. Michigan Potash Operating initiated the permitting process at the Environmental Protection Agency on January 9th, 2015, under the following naming convention :

Well Name : MPC 1D
Location: Township 17 North, Range 8 West, Evart Township, Michigan Meridian
Surface: Section 31: NW/4
SHL Lat, Long: 43.825947, -85.323008

Well Name : MPC 2D
Location: Township 17 North, Range 8 West, Evart Township, Michigan Meridian
Surface: Section 31: NW/4
SHL Lat, Long: 43.825948, - 85.322932

Well Name : MPC 3D
Location: Township 17 North, Range 9 West, Hersey Township, Michigan Meridian
Surface: Section 36: SE/4
SHL Lat, Long: 43.818448, - 85.326073.

An application for the above referenced wells with the Office of Oil, Gas and Minerals is pending and should be expected within the month or earlier, provided Michigan Potash Operating coordinate the dual effort between the Environmental Protection Agency and the Michigan Department of Environmental Quality and the timing thereof. Therefore, the bond is being placed in advance of the State permitting application. Please find attached, (3) three Cashiers Checks, made in the amount of \$ 33,000 apiece so as to individually cover the MPC 1D, the MPC 2D, and the MPC 3D.

Please feel free to contact me directly with comments, questions, or concerns.

Sincerely,



Theodore Pagano, P.E., P.G.
Manager
Michigan Potash Operating LLC

Cc: Allan Batka, Lisa Perenchio, EPA
Ray Vugrinovich, OGM, MDEQ